5. *Increment*

All workmen employees who are in the banks' permanent service and permanent part-time employees drawing scales wages as on 1st November, 1993 will get one advance increment in the scale of pay with all consequential benefits e.g. DA, HRA, CCA, PF, Gratuity, Pension, etc. in terms of the *Bipartite* Settlements.

wholesale price Index

1090. DR. RANBIR SINGH:
SHRI RAMNATH KOVIND:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Income Tax Department has recently raided various premises of the well known Indure Pvt. Ltd., Ash Handling Pvt. Ltd., Design Pvt., East of Kailash, New Delhi;

(b) if so, what are the details of each of the premises raided and unaccounted money and incriminating documents seized by them:

(c) the total amount of income tax deposited by the aforesaid companies during 1992-93, 1993-94 and 1994-95 till date?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) The information is being collected and will be laid on the able of the House.

बहुराष्ट्रिक कम्पनियों के लिए बीमा और वित्तीय क्षेत्र का खोला जाना

1091. **श्री जनेश्वर मिश्र** : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या सरकार ने बीमा और वित्तीय क्षेत्रों को बहुराष्ट्रिक कम्पनियों के लिये खोल दिया है ; और

(ख) यदि हां, तो तत्संबंधी ब्यौरा क्या है ?

वित्त मंत्रालय में राज्य मंत्री (श्री एम०वी० चन्द्रशेखर मूर्ति) : (क) नहीं ।

(ख) प्रश्न नहीं उठता ।

Wholesale price tndex

1092. SHRI R. K. HARIPRASAD. Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that inflation based on movements in the Wholesale Price Index (WPI) put out by the Ministry of Industry, shows a rising trend in inflation in recent months, recording 11.5% for January, 1995;

(b) whether it is also a fact that inflation based on Labour Bureau's Consumer Price Index (CPI) for industrial workers (which governs the payment of DA) shows a steadily declining trend over recent months; and

(c) whether Government would come out with an authentic version of inflation graph depicting and real situation affecting the common man?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) The annual inflation rate based on Wholesale Price Index (WPI) which rose to a peak of 12 per cent in May, 1994, dropped to 8.9 per cent in September and October, 1994 but has since risen to 11.4 per cent level at the end of February, 1995. The annual inflation rate based on Consumer Price Index for Industrial Workers peaked at 11.2 per cent in September, 1994 and dropped to 9.5 per cent in December, 1994. Government remains vigilant in ensuring adequate availability of essential commodities, particularly rice, wheat, sugar and

edible oils and will not hesitate to augment supplied through imports in view of comfortable foreign exchange reserves. Some deceleration is now noticed as the inflation rate has dropped to 10.47% in the week ending 4th March, 1995.

Simple Tax System

1093. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether the Confederation of Indian Industry has urged Government to adopt simple tax system in the country;

(b) if so, the reaction of Government in this regard;

(c) whether the existing taxation system is cumbersome; and

(d) if so, what other measures Government propose to take to streamline the taxation system in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Yes, Sir.

(b) to (d) Simplification of tax-laws is an on-going process. Several measures have been taken in this regard during the last few years.

Hike in interest rate on short term deposits

1094. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank's recent decision to hike maximum short term bank deposits interest rates will have an adverse impact on credit deposit ratio in the banking sector;

(b) if so, whether several financial expert have criticised Government on this move;

(c) if so, the details thereof; and

(d) the reaction of Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (d) Reserve Bank of India (RBI) has reported that the revision in the maximum interest rate on term deposits with the banks from "not exceeding 10.0 per cent" to "not exceeding 11.0 per cent" effective February 10, 1995 was made with a view to evolving a more stable asset liability balance and to ensure that real deposit rates remain positive. The increase in the maximum term deposit rates is not expected to adversely affect the credit deposit ratio of the banking system. Reactions of the banking industry as well as others as reported in the press indicated that the prime lending rates of banks would need to be raised as a consequence of the likely rise in the cost of funds of banks due to the increase in the maximum term deposit rate. Most banks have raised their term deposit rates and prime lending rates in the subsequent period. The maximum deposit rate currently stipulated is considered appropriate taking into account the prevailing conditions in the economy. Interest rates are, however, under continuous review by the Reserve Bank of India (RBI).

Economic reforms

1095. SHRI HIPHEI: Will the Minister of FINANCE be pleased to state:

(a) whether attention of Government has been drawn to a Statement made by Prof. Jeffrey Sachs, Harvard on International Trade and Development that the economic reforms undertaken by India have not produced a huge backlash from the protected sectors;